

OFFICIAL NOTICE OF SALE

\$158,400,000

STATE OF WISCONSIN TRANSPORTATION REVENUE BONDS, 2005 SERIES B

SEALED AND ELECTRONIC BIDS will be received by the Capital Finance Director, acting on behalf of the State of Wisconsin Building Commission (**Commission**), until 10:00 a.m. (Central Time) on September 13, 2005, when they will be publicly opened and read, for the purchase of \$158,400,000 State of Wisconsin Transportation Revenue Bonds, 2005 Series B (**2005 Series B Bonds**) on the terms and conditions stated below. Sealed bids must be delivered to the Capital Finance Office, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin. Electronic bids must be submitted through the PARITY[®] electronic bid submission system (**PARITY[®]**), which is an independent service and not an agent of the Commission. Sealed bids will be opened, electronic bids retrieved, and all bids publicly announced in the Capital Finance Office shortly after the deadline for bids.

Terms of 2005 Series B Bonds. The 2005 Series B Bonds will be dated their date of delivery (expected to be September 29, 2005), and will be payable as to principal either through serial maturities or redemption from mandatory sinking fund payments (as specified by the successful bidder) on July 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2007	\$ 7,040,000	2016	\$ 10,920,000
2008	7,395,000	2017	11,465,000
2009	7,760,000	2018	12,040,000
2010	8,150,000	2019	12,640,000
2011	8,560,000	2020	13,275,000
2012	8,985,000	2021	13,940,000
2013	9,435,000	2022	1,505,000
2014	9,905,000	2023	1,580,000
2015	10,400,000	2024	1,660,000
		2025	1,745,000

Each bid must specify whether the principal amount of the 2005 Series B Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond. The mandatory sinking fund payments of each term bond shall be on one or more consecutive annual payment dates immediately preceding the maturity date of such term bond. Term bonds may be created with a final maturity either before or after July 1, 2016; however, no term bonds designated to mature on and after July 1, 2016 may contain any sinking fund payments before July 1, 2015. The mandatory sinking fund payment (if any) so specified for any year must be equal to the full principal amount of 2005 Series B Bonds listed in the table above as payable in that year. The same interest rate specified for the nominal maturity of a term bond must also be specified for all mandatory sinking fund payments of such term bond.

The 2005 Series B Bonds will bear interest, payable on January 1, 2006 and semiannually thereafter on the first day of January and July, at such rate or rates per annum as are designated by the successful bidder in its bid. Interest on the 2005 Series B Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Optional Redemption. The 2005 Series B Bonds maturing in the years 2007 to 2015, inclusive, are not subject to optional redemption. The 2005 Series B Bonds maturing in the years 2016 to 2025, inclusive, are subject to redemption at the option of the Commission on July 1, 2015 or any date thereafter, in whole or in part, in integral multiples of \$5,000. In the event of partial redemption, the Commission shall direct the maturity or maturities and the amount thereof so to be redeemed. The redemption price for 2005 Series B Bonds redeemed prior to their stated dates of maturity shall be equal to 100% of the principal amount of the 2005 Series B Bonds so redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The 2005 Series B Bonds of certain maturities will be subject to mandatory redemption prior to their respective stated maturity dates, in part, from mandatory sinking fund payments, to the extent

the successful bidder so specifies in its bid. In such event, the redemption price shall be equal to 100% of the principal amount of the 2005 Series B Bonds so redeemed, plus accrued interest to the date of redemption.

Book-Entry. The Commission has appointed The Depository Trust Company (DTC) as securities depository of the 2005 Series B Bonds. The 2005 Series B Bonds will initially be issued in book-entry-only form, and bond certificates will be registered in the name of Cede & Co., as nominee for DTC. The State of Wisconsin (State) has filed with DTC a blanket issuer letter of representations for all obligations to be issued by the State. Individual purchases will be made in book-entry-only form pursuant to the rules and procedures established between DTC and its participants, in the principal amount of \$5,000 and integral multiples of \$5,000. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. Ownership of the Bonds by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system (DTC Participants). J.P. Morgan Trust Company, National Association, or its successor, (Trustee) will deposit the 2005 Series B Bond certificates with DTC as a condition of the closing. The Trustee will make payments of principal of, and interest on, and any redemption premium on the 2005 Series B Bonds on the dates set forth above, to DTC or its nominee as registered owner of the 2005 Series B Bonds in same-day funds. Owners of the Bonds will receive payments through the DTC Participants. Transfer of payments to the DTC Participants will be the responsibility of DTC; transfer of payments to the owners by DTC Participants will be the responsibility of the DTC Participants, all as required by rules and procedures of DTC and the DTC Participants. No assurance can be given by the Trustee or the State that DTC, the DTC Participants, and other nominees of owners will make prompt transfer of the payments. The Trustee and the State assume no liability for failures of DTC, the DTC Participants, or other nominees to promptly transfer payments to owners of the Bonds.

Notice to Securities Depository. Notices, if any, given by the Trustee or the State to the securities depository are redistributed in the same manner as are payments. The Trustee and the State assume no liability for the failure of the DTC, the DTC Participants, or other nominees of owners to promptly transfer said notices to the owners of the 2005 Series B Bonds. The Trustee and the State are not responsible for supervising the activities or reviewing the records of DTC or the DTC Participants.

Successor to Securities Depository. In the event that the relationship with DTC is terminated and the Commission does not appoint a successor securities depository, the Commission will prepare, authenticate, and deliver, at its expense, fully registered certificated 2005 Series B Bonds in the denominations of \$5,000 or any integral multiple of \$5,000, in the aggregate principal amount of 2005 Series B Bonds of the same maturities and interest rates then outstanding, to the DTC Participants.

Purpose and Pledge. The State has previously issued transportation revenue bonds. As of September 1, 2005, there were \$1,251,875,000 outstanding transportation revenue bonds (Outstanding Bonds). The 2005 Series B Bonds will be issued on a parity with the Outstanding Bonds. The 2005 Series B Bonds will be issued senior to the pledge granted to the State of Wisconsin Transportation Revenue Commercial Paper Notes of 1997, Series A (Notes), which were also issued pursuant to the General Resolution. As of September 1, 2005, there were \$113,893,000 of Notes outstanding. The 2005 Series B Bonds will be issued pursuant to Subchapter II of Chapter 18 and Section 84.59 of the Wisconsin Statutes and pursuant to a General Resolution adopted by the Commission on June 26, 1986, as amended by Supplemental Resolutions adopted by the Commission on March 19, 1998, August 9, 2000, and October 15, 2003, and a Series Resolution adopted by the Commission on November 17, 2004. The 2005 Series B Bonds will be issued to finance the cost of certain State transportation facilities and highway projects and to pay costs of issuance.

Security for the Bonds. The 2005 Series B Bonds will be revenue obligations of the State payable solely from amounts in the Redemption Fund created by the General Resolution. The 2005 Series B Bonds are secured by a first lien pledge of the Program Income, which includes vehicle registration fees authorized under Section 341.25 of the Wisconsin Statutes and other vehicle registration-related fees authorized by Wisconsin Statutes, including but not limited to vehicle title transaction fees, registration and title counter service fees, and personalized license plate issuance and renewal fees. A Reserve Fund also exists and is currently funded in the amount of \$60,369,200. *The 2005 Series B Bonds are not general obligations of the State, its agencies, or any political subdivision thereof, and do not constitute "public debt" of the State as used in the Constitution and Statutes of the State.*

Minority Participation. It is the policy of the Commission to endeavor to ensure that 6% of the 2005 Series B Bonds are underwritten by firms that are certified by the State as being minority owned. The Commission urges prospective bidders to obtain from the Commission a list of firms so certified and to include such firms in their bidding group. The Commission further encourages certified minority-owned firms to submit bids directly and to assemble bidding groups for the submission of bids. Minority-owned firms that are not yet certified by the State and wish to be may contact the

Wisconsin Department of Commerce, Bureau of Minority Business Development at 608.267.9550. The successful bidder must provide the Commission, no later than September 14, 2005, a list of all firms that are participating in the underwriting of the 2005 Series B Bonds and the amount of each firm's initial liability.

Offering of Securities. The State offers to sell these securities by competitive bid. In the jurisdictions of Georgia, Illinois, Louisiana, Nebraska, New York, and North Dakota, the State's offer is limited to the following: brokers, dealers, banks, savings institutions, trust companies, insurance companies, investment companies, pension or profit sharing trusts, and other financial institutions. This does not constitute an offer in the State of Vermont, and no bids will be accepted from persons in the State of Vermont.

Insurance on 2005 Series B Bonds. If the successful bidder obtains a bond insurance policy or a commitment for a policy for the 2005 Series B Bonds, by or on behalf of it or any other member of its underwriting group, the purchase of any such insurance policy or the issuance of any such commitment will be at the sole option and expense of the successful bidder. The successful bidder will be responsible for working with the Commission in making sure that disclosure information is provided about the bond insurer (for example, through a wrapper to the Official Statement). The successful bidder will also be responsible for the payment of any rating agency fees (other than the rating agency fees for the underlying rating on the 2005 Series B Bonds).

The successful bidder will be required, as a condition for delivery of the 2005 Series B Bonds, to certify the amount of the insurance premium and that this premium will be less than the present value of the interest expected to be saved as a result of such insurance. Failure of the bond insurer to issue its policy shall not constitute a failure on the part of the Commission to perform in accordance with the terms of this Official Notice of Sale or the bid.

Electronic Bidding. Each bidder submitting an electronic bid is responsible for making any arrangements, and paying any fees, needed to submit its bid through PARITY®. If any information provided by PARITY® conflicts with this Official Notice of Sale or the Preliminary Official Statement, those documents shall control. The Commission assumes no responsibility or liability based on a bidder's submission of an electronic bid, including (but not limited to) any failure by PARITY® to correctly and timely transmit information contained in the electronic bid. Further information about PARITY® may be obtained from:

i-Deal LLC
1359 Broadway, FLR 2
New York, NY 10018
212-849-5021
parity@i-Deal.com

Sealed Bid. Any bid not submitted through the electronic bid submission system must use the Official Bid Form and shall be enclosed in a sealed envelope marked on the outside, in substance, *Bid for State of Wisconsin Transportation Revenue Bonds, 2005 Series B*.

Official Bid Form. Each sealed bid must be made using the Official Bid Form, and each electronic bid shall be deemed to incorporate the provisions of the Official Bid Form. The Commission will treat an electronic bid as though the Official Bid Form were submitted with the same information and signed on behalf of the bidder by a duly authorized signatory. Each bidder should intend that its bid, whether submitted electronically or as a sealed bid, will constitute a valid offer that, if accepted by the Commission, will form a binding contract.

Award. The 2005 Series B Bonds will be awarded at the lowest true interest cost rate to the State. The true interest cost rate for each bid will be determined on the basis of present value by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to the dated date which is expected to be September 29, 2005 and to the price bid. In the event two or more bids specify the same lowest true interest cost rate, then the award will be made to the bidder with the lowest true interest cost rate and the largest minority-owned firm participation, or if such bidders have an equal amount of minority-owned participation, then selection for award will be made among such bidders by the Capital Finance Director by lot.

Each bid shall indicate an interest rate for each maturity and a purchase price for the 2005 Series B Bonds. Each interest rate bid must be a multiple of 0.05%. A bid must be for all the 2005 Series B Bonds and may be for any purchase price not less than 98.5% of the par amount of the 2005 Series B Bonds (\$156,024,000) nor greater than 106% of the par amount of the 2005 Series B Bonds (\$167,904,000). There shall be only one interest rate per maturity. The 2005 Series B Bonds maturing on or after July 1, 2016 may not have an initial offering price less than 98.5% of

par. The Capital Finance Director, acting on behalf of the Commission, may waive any informality or irregularity in any bid or condition of this Official Notice of Sale and reject any or all bids.

No later than 15 minutes after verbal notification of being the apparent high bidder, the bidder must communicate the “when, as, and if issued” offering prices of all 2005 Series B Bonds to the Capital Finance Office. In the interest of price transparency in the market, the State encourages the successful bidder to promptly disseminate the initial offering prices for all 2005 Series B Bonds without the use of “NRO”.

Bid Deposit. A certified, official, or cashier’s check must be provided, or a financial surety bond submitted, for each bid, payable to the order of the State of Wisconsin, in the amount of \$3,170,000. If a check is provided, it must accompany the bid. If a financial surety bond is submitted, it must be from an insurance company licensed to issue such a bond in the State of Wisconsin and acceptable to the Capital Finance Director, and such bond must be submitted to the Capital Finance Office prior to the opening of the bids. The financial surety bond must identify each bidder whose deposit is assured by such bond. Each bidder submitting a financial surety bond should determine for itself that the financial surety bond is submitted prior to the bidding deadline. If the bid is awarded to a bidder that has submitted a financial surety bond, the bidder is required to provide the good-faith deposit in immediately available funds not later than 1:30 p.m. (Central Time) on September 14, 2005. A claim may be made under the financial surety bond in the event that the good-faith deposit is not timely.

Good-Faith Deposit. The good-faith deposit of the successful bidder will be cashed. All checks of unsuccessful bidders will be returned immediately upon award of the 2005 Series B Bonds. No interest will be allowed on the amount of the good-faith deposit. The proceeds of the good-faith deposit of the successful bidder will be applied to the purchase price of the 2005 Series B Bonds. In the event that the successful bidder should fail to take up and pay for the 2005 Series B Bonds in compliance with the terms of its bid, the Commission, at its option, may retain the good-faith deposit as liquidated damages or, at its further option, may retain the good-faith deposit as partial payment of actual damages or as security for any other remedy available to the Commission. The amount of the good-faith deposit is to be returned to the successful bidder on the failure of the Commission to perform in accordance with the terms of this Official Notice of Sale and the bid. All bids shall remain firm for five hours after the time specified for the opening of bids, and an award of the 2005 Series B Bonds, or rejection of all bids, will be made by the Capital Finance Director within the five hour time period.

Certification of Price. The successful bidder shall certify, prior to delivery of the 2005 Series B Bonds, the “issue price” of the 2005 Series B Bonds awarded to such bidder as defined in Section 1274 of the Internal Revenue Code of 1986, as amended.

No Reimbursement of Voluntary GASB Fee. The State has no authority or appropriation to make voluntary payments to the Governmental Accounting Standards Board. For this reason, the State cannot remit this fee to the successful bidder as part of the closing and settlement for the Bonds. Bidders should not include the voluntary fee in the calculation of expenses for the transaction.

Closing and Delivery. The closing will be at or about 9:30 a.m. (Eastern Time), on or about September 29, 2005 at a mutually agreeable location. By no later than the day prior to closing, the 2005 Series B Bonds will be delivered through the Trustee to DTC using DTC’s Fast Automated Securities Transfer (FAST) System. Payment for the 2005 Series B Bonds must be made by wire in immediately available funds for credit at J.P. Morgan Trust Company, National Association, or its successor, at said date and time. Should delivery be delayed beyond 45 days from the date of sale for any reason beyond the control of the State except failure of performance by the successful bidder, the State may cancel the award or the successful bidder may demand return of its good-faith deposit and thereafter its interest in and liability for the 2005 Series B Bonds will cease.

Bond Opinion. The legality of the 2005 Series B Bonds will be approved by Quarles & Brady LLP, bond counsel, whose unqualified approving opinion will be furnished to the successful bidder without cost upon the delivery of the 2005 Series B Bonds. There will also be furnished upon the delivery of the 2005 Series B Bonds the usual closing papers, including a certificate stating that there is no litigation pending or threatened affecting the validity of or security for the 2005 Series B Bonds and a certificate to the effect that the Official Statement prepared in connection with the sale of the 2005 Series B Bonds, as of the date of the Official Statement and as of the date of delivery of the 2005 Series B Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Tax Exemption. Under existing law interest on the 2005 Series B Bonds is excludable from gross income for federal income tax purposes. Interest on the 2005 Series B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Continuing Disclosure. In order to assist bidders in complying with Section (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, the State has executed a Master Agreement on Continuing Disclosure and a Second Amended and Restated Addendum Describing Annual Report for Transportation Revenue Bonds, and will execute a Supplemental Agreement specifically for the 2005 Series B Bonds (**Continuing Disclosure Documents**). The Continuing Disclosure Documents are available to prospective bidders and will be included in the closing papers.

CUSIP Numbers. The 2005 Series B Bonds will contain CUSIP identification numbers, but such numbers shall not constitute a part of the contract for the purchase of the 2005 Series B Bonds, and any error or omission with respect thereto shall not constitute cause for refusal by the purchaser to accept delivery of and pay for the 2005 Series B Bonds in accordance with the terms of the purchaser's bid.

Bidding Documents. The Preliminary Official Statement, which is available electronically at the web site shown below, is in a form which the State deems final as of September 2, 2005, except for the omission of information described in Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, but is subject to revision, amendment, and completion in a final official statement. The Preliminary Official Statement, Official Bid Form, and Continuing Disclosure Documents may be obtained from the Capital Finance Office web site at the following address:

www.doa.wi.gov/capitalfinance

Paper copies of these documents may be obtained from the Capital Finance Office, Department of Administration, Administration Building, 101 East Wilson Street – 10th Floor, Madison, Wisconsin 53703, 608.266.2305, 608.267.7399, 608.267.0374, or capfin@doa.state.wi.us.

Official Statements. The Commission will furnish to the successful bidder, without cost, up to 1,000 copies of the final Official Statement within seven business days after the award of the 2005 Series B Bonds.

Dated: September 2, 2005

Frank R. Hoadley
Capital Finance Director